

**MINUTES OF MEETING OF BOARD OF DIRECTORS OF
NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1**

October 19, 2016

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
 AND WILLIAMSON §

A regular meeting of the Board of Directors of North Austin Municipal Utility District No. 1, open to the public, was held on October 19, 2016, at the Rattan Creek Community Center, 7617 Elkhorn Mountain Trail, Austin, Texas, pursuant to notice duly given in accordance with law. A copy of the Certificate of Posting of said Notice is attached hereto as **Exhibit "A"**.

The roll was called of the members of the Board, to-wit:

Alan McNeil	-	President
Donald G. Conklin	-	Vice President
Jo Jones	-	Secretary
Keith Collins	-	Treasurer
Kim Green	-	Assistant Secretary/Treasurer

and all of said Directors were present, thus constituting a quorum. Also in attendance at the meeting were Mary Bott with Bott & Douthitt, P.L.L.C.; David Malish with Murfee Engineering Co., Inc.; Bill Burke with Clearwater Management; Richard Fadal with TexaScapes, Inc.; Kevin Flahive with Armbrust & Brown, PLLC; Will Washington, President of the Rattan Creek Neighborhood Association; and Rachel Beaulieu, a resident of the District.

Director McNeil called the meeting to order at 6:00 p.m. and stated that the Board would first receive citizen communications. There being no citizens desiring to address the Board, Director McNeil recognized Mr. Washington or provide a report from the Rattan Creek Neighborhood Association. Mr. Washington stated that RattanFest was well attended and he thanked the District for its support of the event. He stated that the next event would be Caroling in the Park on December 18. Mr. Washington also stated that the Town Hall Meeting went well and he thanked Director Conklin for including the Rattan Creek Neighborhood Association in the presentation to District residents.

The Board next considered approval of the August 31, September 19 and September 21 meeting minutes. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the August 31 minutes, as presented. Upon motion by Director Jones and second by Director Collins, the Board voted unanimously to approve the September 19 minutes, as presented. Upon motion by Director Jones and second by Director Green, the Board voted unanimously to approve the September 21 minutes, as presented.

Director McNeil then stated that the Board would receive the park and landscape report. Mr. Fadal referred the Board to his report, attached as **Exhibit "B"**. He stated the greenbelt and park maintenance projects were progressing as planned and there were no changes since his last report. Director Green asked about landscaping repairs relating to the entry monumentation that was damaged in an auto accident. Mr. Fadal stated that the project was minor and involved repairing damaged irrigation lines.

Director McNeil then stated that the Board would receive the pool and community center report. Mr. Burke stated that the annual fire inspection of the Community Center had recently been conducted and the only issue was an uninsulated pipe in the exterior restrooms serving the pool, which the Board had budgeted to insulate and he would have insulated in the near term. He stated the pool was losing water and he was investigating potential causes. Mr. Burke also discussed a valve repair relating to the pool that he was having performed.

The Board next received the general manager's report. Mr. Spoons stated that he had provided his report at the October 17 meeting. He stated all repairs relating to the entry monumentation damaged in the auto accident had been performed, with the exception of adding the lettering to the new monument, and he was maintaining records of all repairs for submittal to the driver's insurer. Director Conklin asked if the crushed granite installed by T Bar M Land Services, LLC in connection with the trail repairs would be compacted, as there were soft areas on the trail. Mr. Spoons stated he would check with the contractor. Director McNeil then discussed with Mr. Spoons the timer on the lights at the Robinson Park restrooms, which did not appear to be properly set. Mr. Spoons stated he would address the matter. The Board then confirmed with Mr. Burke that the Community Center would be open and staffed on November 8, as it would be a polling location for the election. Mr. Spoons then discussed with the Board the request from UPS to locate a storage pod in the Community Center parking lot during the holiday season. After discussion, the Board elected to decline the request due to the impact on available parking spaces within the lot.

Director McNeil stated the Board would next receive the bookkeeper's report. Ms. Bott distributed an updated cash activity report, attached as Exhibit "C". She stated there were three additional checks proposed for approval by the Board, including checks for landscape repairs and election expenses. Upon motion by Director Collins and second by Director Jones, the Board voted unanimously to approve the three additional checks as proposed.

The Board next received a report from the District's engineer. Mr. Malish stated that he had reviewed his report with the Board at the October 17 meeting. Director Green asked for an update on the request from Menlo Equities for permission to install improvements within the District's water line easement on its property, which the Board discussed at the October 17 meeting. Mr. Malish stated that he had not heard anything further since the October 17 meeting and he believed the Board could agree to the request or require that, in connection with the District's approval the site plan for the proposed improvements, that the improvements be relocated outside of the District's easement. After discussion, the Board determined that it would require that all proposed improvements be relocated outside of the District's easement as a condition of approval of the site plan for such improvements. Mr. Malish stated he would provide the Board's determination to Menlo Equities representatives.

There being no discussion of bond projects, restrictive covenants report, or future annexation, limited district conversion or other City of Austin items to discuss, Director McNeil recognized Mr. Flahive to provide the attorney's report. Mr. Flahive discussed with the Board the memorandum relating to changes in the Internal Revenue Service's "safe harbor rules" relating to terms of contracts with private contractors that maintain District facilities financed with tax-exempt bonds, attached as Exhibit "D", stating that the Board would have greater flexibility moving forward. He then discussed with the Board the posting and publishing requirements of Texas Election Code Section 4.003 and his findings relating to methods of compliance with the statute available to the District in connection with the November 8 election and the associated costs with those methods. Mr. Flahive stated that cost of publishing the required notice in the Austin American Statesman, a newspaper of general circulation within the territory in which the District is located, would be \$21,678.30. He discussed with the Board

contacting the Austin Chronicle as a possible alternative that had not already been contacted, as well as providing notice via direct mailing. After discussion, the Board directed Mr. Flahive to investigate costs associated with publishing notice in newspapers other than the Austin American Statesman that meet the statutory requirements, if any, and the costs associated with providing notice via direct mailing, if feasible within the time period during which notice must be provided, and to proceed with the most cost-effective method of providing notice of the election in accordance with statutory requirements. Mr. Flahive then discussed with the Board calling a special meeting to canvass the election and swear in the new Place 1 Board member. After discussion, the Board directed Mr. Flahive to post notice for a special meeting on November 22 at 6:00 p.m. at the Community Center, at which meeting the Board would canvass the November 8 election, swear in the new Place 1 Board member, and approve an updated District registration form. Mr. Flahive then discussed with the Board the scheduling of its December meetings and holiday dinner. After discussion, the Board elected to have the holiday dinner on December 14 and defer a decision regarding its meetings during December to its November 16 regular meeting.

Director McNeil then asked if there were any other matters to come before the Board. The Board members thanked Director Conklin for his presentation at the Town Hall Meeting. There being no other matters to come before the Board, upon motion by Director McNeil and second by Director Green, the Board voted unanimously to adjourn at 6:50 p.m.



November 16, 2016

Jo Jones, Secretary
Board of Directors